

Rockford ranks first among medium-sized cities for golf.

Golf Digest, 2000

Cost of Living

ACCRA Cost-of-Living Index (1st Qtr., 2002)

Boston, MA	140.0
Washington, DC-MD-VA-WV	132.3
San Diego, CA	129.8
Philadelphia, PA-NJ	117.6
Minneapolis, MN	108.2
Denver, CO	106.5
Grand Rapids, MI	105.2
Cleveland, OH	104.8
Portland-Vancouver, OR-WA	102.8
Dallas, TX	100.6
Phoenix, AZ	98.8
Green Bay, WI	98.7
Rockford, IL	98.4
Norfolk-Virginia Beach-Newport News (VA-NC) ..	98.0
Tampa, FL	97.0
Appleton-Oshkosh-Neenah, WI	93.8
San Antonio, TX	88.9

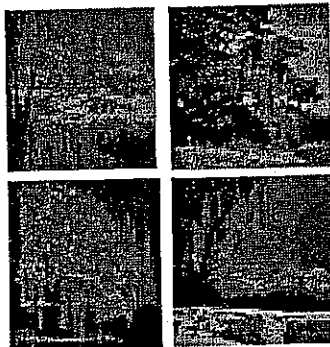
Source: ACCRA

Climate

Average Winter Temp	22.12° F	-5.46° C
Average Summer Temp	71.02° F	21.68° C
Average Annual Rainfall	36.28 in	92.15 cm
Average Annual Snowfall	35.20 in	89.41 cm
Ave. Annual Days Below Freezing	144	
Heating Degree Days	3,186	
Cooling Degree Days	714	

Location

Mean Elevation (above sea level)	715 feet
Latitude	N 42° 16' 07"
Longitude	W 89° 05' 48"

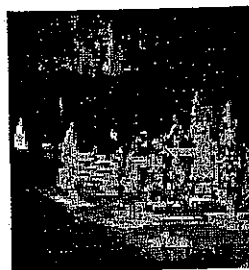


Quality of Life

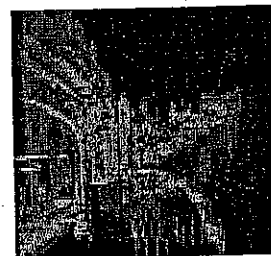
Public Parks	185
Parkland acres	>7,000
Public Swimming Pools	6
Health Clubs	9
Public Golf Courses	21
Country Clubs	6
Public Libraries	9
Museums	10
Art Galleries	12
Symphony Orchestra	1
Community Theatres	4
Indoor Ice Arenas	2
Indoor Sports Centers	1
Water Parks	1
Sports: Rockford Icehogs UHL hockey team, Rockford Lightning CBA basketball team, Rockford Raptors Premier NISL soccer team, Rockford Riverhawks minor league baseball team, Rockford Speedway, Byron Dragway	
Protestant Churches*	402
Catholic Churches	19
Jewish Synagogues	2
Islamic Mosque	1

*56 denominations represented.

Festival of Lights



Coronado Theatre



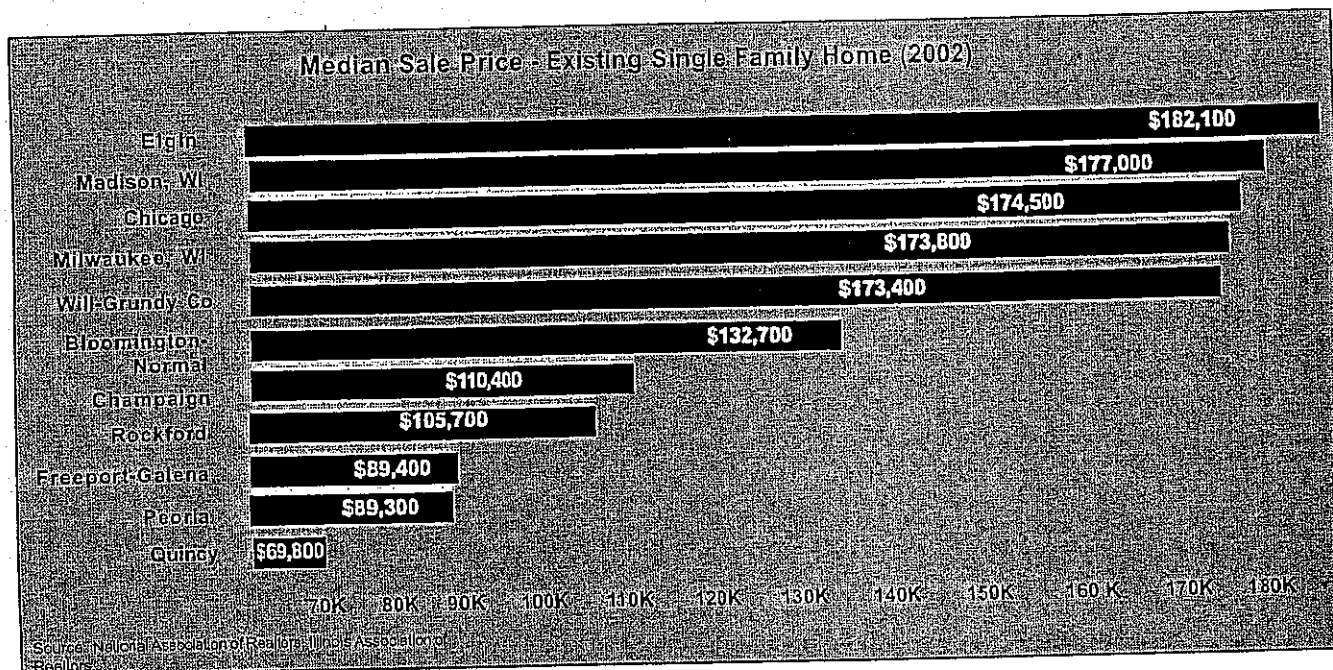
Health Care

Hospitals	No. of Beds
Rockford Health Systems (Rockford)	339
SwedishAmerican Hospital (Rockford)	296
OSF St. Anthony Medical Center (Rockford)	201
Freeport Memorial Hospital (Freeport)	179
Rochelle Community Hospital (Rochelle)	34
Northwest Suburban Community Hosp.(Belvidere) ...	307
Number of Physicians (M.D.)	849
Number of Dentists (D.D.S.)	202

Rockford MSA ranks 1st in housing affordability in the U.S.

National Association of Home Builders, Fourth Quarter, 2001

Housing Affordability



Community Services

Motels/Hotels:	60
- Number of rooms:	3,527
Restaurants:	575
- Capacity of largest banquet room:	1,200
Civic Center/auditorium:	Rockford Metro Centre
- Seating capacity:	10,000
Number of Banks:	35
Number of Savings and Loans:	6
Number of Credit Unions:	36
Local newspapers	
- Daily:	3
- Weekly:	8
Local radio stations:	13
TV channels received:	6
Cable TV system:	yes
Public Bus Transportation:	yes
Fire Insurance Rating:	
City of Rockford:	2
Winnebago County:	5

For More Information

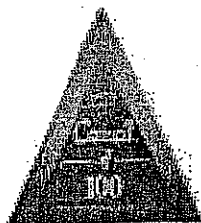
Rockford Area Council of 100

515 North Court Street
Rockford, Illinois 61103
Phone: (815) 987-8118
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website: www.rockfordil.com
e-mail: info@rockfordil.com

Economic Development Partners:

- Growth Dimensions of Belvidere and Boone County
- Greater Rochelle Economic Development Corporation
- Freeport Area Economic Development Corporation
- Rockford Local Development Corporation

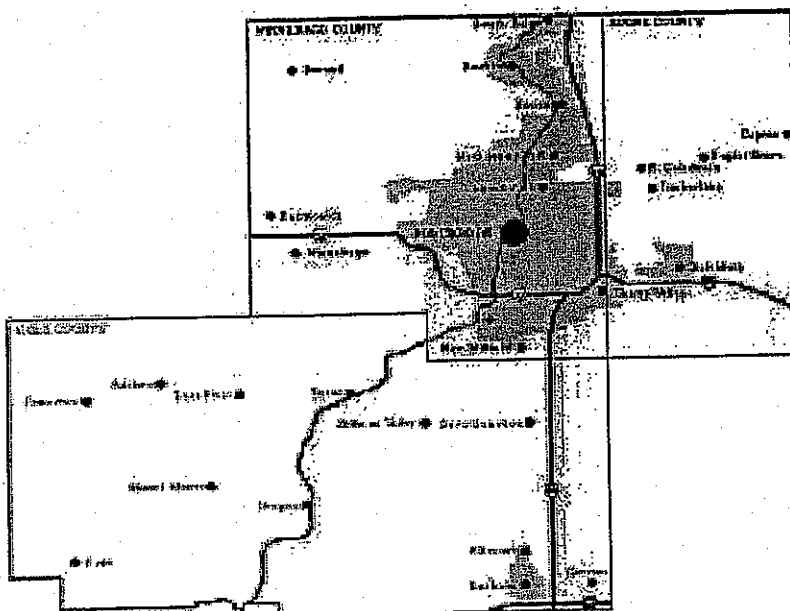
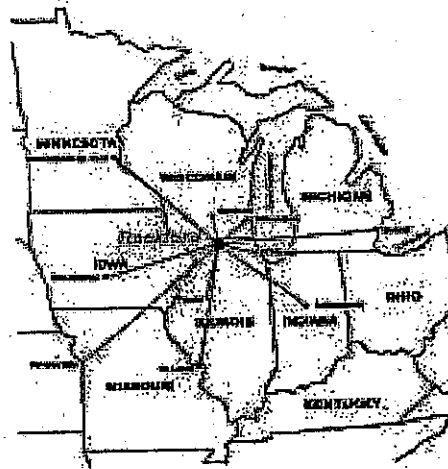


Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

Rockford is in the heart of the Midwest, lying 65 miles northwest of Chicago's O'Hare International Airport and 90 miles east of the Mississippi River. Its location allows for easy access to regional, national, and international markets.



The Rockford MSA includes Winnebago, Boone, and Ogle counties of Northern Illinois.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

METROPOLITAN AREA PROFILE

MSA: Rockford MSA
State: Illinois
Contact: Janet Mueller, Rockford Area Council of 100
Phone: 815-987-8118
FAX: 815-987-8129

⇒ Economy – Facts and Figures

The Rockford MSA's total nonagricultural wage and salary employment grew 18.2% between 1990 and 2000, an increase of nearly 28,000 jobs, bringing the total to 180,900 as of December 2000.

Transportation/communications/utilities (TCU) and services led the employment expansion over the period; TCU grew 58% and services grew 31.2%.

Job growth (%) in the Rockford MSA was the second largest in the state of Illinois during the nineties.

Current data (May 2003) indicate a total civilian labor force in the Rockford MSA at 198,428 with an unemployment rate of 7.5% (State of Illinois rate is 5.9%; U.S. rate is 5.8%).

The manufacturing and services sectors continue to be the largest employment sectors.

Total household income in the Rockford MSA grew by 60.7% in the nineties; per capita personal income increased 48.2%.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Wage and Salary Employment – Average 2002

INDUSTRY	# ESTABLISHMENTS	# EMPLOYED	% OF EMPLOYED
Manufacturing	1,385	40,800	23.3
Construction/Mining	1,575	8,500	4.9
Transportation, Communication & Utilities	696	9,800	5.6
Trade	4,016	26,300	15.0
Finance, Insurance & Real Estate	1,514	8,000	4.6
Services	7,117	62,200	35.5
Government	238	19,500	11.1
TOTAL	16,541	175,100	100%

Source: Illinois Department of Employment Security; Dun & Bradstreet

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Major Rockford Area Employers and Their Products

Company	Product or Service	Employment
Rockford Health System	Health care	4,400
Rockford School District 205	Public schools	4,010
Textron, Inc.	Power handtools; industrial fasteners	3,560
SwedishAmerican Health System	Health care	2,913
Hamilton Sundstrand Corp.	Aircraft & aerospace components	2,900
Daimler-Chrysler	Automobile assembly	1,970
OSF St. Anthony Medical Center	Health care	1,950
United Parcel Service	Parcel shipping & delivery	1,700
County of Winnebago	County government	1,600
Invensys Building Systems	Environmental Controls	1,200
Rock Valley College	Community college	1,130
Woodward Governor	Aircraft components	1,029
MCI	Telemarketing	1,000
Newell/Amerock	Cabinet & window hardware	995
Wal-Mart stores	General retail	970
Harlem Consolidated School Dist.	Public schools	950
Rochelle Foods	Meat packing plant	900
Cadbury Adams	Chewing gum	890
Quebecor Printing	Commercial printing	750
ComEd	Electrical supplier	750
Rockford Products Corp.	Cold formed products, fasteners	665
R&D Theil, Inc. - CCA	Structural components	640
Taylor Co.	Ice Cream freezers	627
Kable News Co., Inc.	Magazine publishing & distribution	560
Woods Equipment Co.	Farm machinery & equipment	450
Pillsbury/Green Giant	Vegetable processing	430
Quality Metal Finishing	Zinc & zinc based alloy die castings	360
Pacific Scientific	High performance motors and drives	350
E.D. Etnyre & Co.	Road construction machinery	320
Avery Dennison Office Products	Stationary products	300
Eaton Corporation	Motor vehicle parts & accessories	270
Ipsen International	Heat treating furnaces	264
County of Boone	County government	256
Rockford College	4-Yr. Private College	236
Aramark Services	Uniform Services	225
Belvedere Company	Barber & beauty shop equipment	215

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒Existing Warehouse/Distribution Facilities in the Rockford Area

<u>Company</u>	<u>Location</u>
Intermodal Services Inc.	Belvidere
Jacobson Warehouse Company Inc.	Rockford
Murphy Transfer & Storage Inc.	Rockford
Phillips Machine Co. Warehouse	Rockford
Menasha Corporation	Rockford
Murphy-Leek Warehousing Inc.	Rockford
Carson Pirie Scott & Co.	Rockford
Kitchen Distributors of America	Rockford
Parkside Warehouse Inc.	Rockford

⇒Labor Pool

The Rockford Area's labor force is known for its quality, productivity, excellent work ethic and low turnover rates.

Labor Force:	Civilian Labor Force	198,428
	Unemployed	14,955
	Percent of Labor Force Unemployed	7.5%
	Total Employment	183,473

Illinois Department of Employment Security, May 2003

Education: Within the Rockford MSA, 24.8% of the population over the age of 25 has an Associates Degree or above.

Within the Rockford MSA, 81.6% of the population over the age of 25 has a high school diploma.

26 colleges and universities, and 18 community colleges are located within a 75-mile radius of the city of Rockford. Computerworld Magazine ranked the graduate level management information systems program at Northern Illinois University in DeKalb 19th on its list of the Top 25 Techno-MBAs.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Rockford Area Wages

Job Title	Wtd. Avg.	Median	Mid 50% Range
Warehouse Material Handler	\$10.58/hr	\$10.30	\$8.29 - \$12.36
Shipper/Receiver	\$11.42/hr	\$10.87	\$9.90 - \$12.17
Materials Manager	NA	\$52,982	\$39,238 - \$62,348
Supervisor, Shipping/Receiving	\$56,045	\$44,375	\$40,083 - \$49,857

Job Descriptions

Warehouse Material Handler – By means of hand trucks, hand lifts, electric hoists and other power driven equipment, moves cases, crates, packaged merchandise, and other material about a warehouse, between loading platform and storage areas. Load and unload railroad freight cars and trucks; stack and otherwise store merchandise in designated areas in the warehouse; pack and wrap merchandise when required.

Shipper/Receiver – Count, weigh and check incoming materials and supplies. Make out receiving reports, report shortages and damaged material. Assemble orders for shipment, count, weight and check against shipping order, report shortages. Label or stencil shipping containers. Select routing and carrier when not specified by customer. Arrange for pick-up by carrier.

Materials Manager – Responsible for overall control/movement of materials in and out of plants, warehouses and points of distribution. Responsible for directing and administering purchasing, production scheduling and control, inventory and warehouse stock control, warehousing, sales order entry, customer service, traffic and shipping.

Supervisor, Shipping/Receiving – Supervise normal shipping, receiving and/or packing operations of assembling orders, packing and/or crating for shipment, counting materials received and keeping records.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Community Profile

Rockford Area Demographic Profile

	<u>MSA</u>	<u>Rockford</u>	<u>Winn. Co.</u>	<u>USA</u>
Population (2000)	371,236	150,115	278,418	
Projected Population (2010)	384,330			
Population Distribution (2000)				
<25	35%	35.9%	34.8%	
25 – 54	43.4%	42.2%	43.6%	
>54	21.5%	22.1%	21.6%	
Median Age	35.9	34.4	35.9	
Ethnicity of Population				
White	85.1%	72.8%	82.5%	75.1%
Black	8.0%	17.4%	10.5%	12.3%
Hispanic*	7.4%	10.1%	6.9%	12.5%
American Indian	0.3%	0.3%	0.3%	0.9%
Asian	1.4%	2.2%	1.7%	3.6%
Hawaiian	0.03%	0.04%	0.04%	0.1%
Other	3.4%	4.8%	3.1%	5.4%
2 or more races	1.7%	2.5%	1.9%	2.4%

*Hispanic may be of any race

Per Capita Personal Income

2001	\$26,335
2000	\$26,253
1999	\$26,484
1998	\$25,938

Rockford Area Population: 1990 - 2000

	1990	1998	1999	2000
Winnebago County	252,913	267,665	268,126	278,418
Boone County	30,806	38,748	39,560	41,786
Ogle County	45,957	50,522	50,954	51,032
Rockford MSA	329,676	356,935	357,640	371,236

Source: U.S. Census Bureau, UIC Health Systems Research

Rockford, IL MSA

July 2003

Colleges and Universities within a 75-mile radius of Rockford MSA:

<u>Name and Location</u>	<u>Type of Institution</u>	<u>Enrollment 2001</u>
College of DuPage, Glen Ellyn, IL	2-Yr. Community College	29,423
Triton College, River Grove, IL	2-Yr. Community College	14,848
William Rainy Harper College, Palatine, IL	2-Yr. Community College	14,514
Madison Area Technical College, Madison, WI	2-Yr. Community College	14,351
College of Lake County, Grayslake, IL	2-Yr. Community College	12,917
Oakton Community College, Des Plaines, IL	2-Yr. Community College	10,792
Elgin Community College, Elgin, IL	2-Yr. Community College	9,636
Rock Valley College, Rockford, IL	2-Yr. Community College	8,542
Waubensee Community College, Sugar Grove, IL	2-Yr. Community College	7,890
Gateway Technical College, Kenosha, WI	2-Yr. Community College	6,247
McHenry County College, Crystal Lake, IL	2-Yr. Community College	5,747
Illinois Valley Community College, Oglesby, IL	2-Yr. Community College	3,673
Kishwaukee College, Malta, IL	2-Yr. Community College	3,883
Highland Community College, Freeport, IL	2-Yr. Community College	2,541
Blackhawk Technical College, Janesville, WI	2-Yr. Community College	2,343
Sauk Valley Community College, Dixon, IL	2-Yr. Community College	2,688
MacCormac College	2-Yr. Community College	514
Univ. of Wisconsin-Rock County, Janesville, WI	2-Yr. Community College	950
University of Wisconsin Colleges, Madison, WI	2-Yr. Community College	12,249
University of Wisconsin, Madison, WI	Public University	40,922
Northern Illinois University, DeKalb, IL	Public University	23,783
University of Wisconsin, Whitewater, WI	Public University	10,549
University of Wisconsin, Kenosha, WI	Public University	4,964
Northwestern University, Evanston, IL	Private University	17,000
Benedictine University, Lisle, IL	Private University	2,700
Trinity International University, Deerfield, IL	Private University	2,054
Aurora University, Aurora, IL	Private University	2,801
Dominican University, River Forest, IL	Private University	2,533
Concordia University, River Forest, IL	Private University	1,947
Lewis University, Romeoville, IL	Private Liberal Arts College	4,407
Wheaton College, Wheaton, IL	Private Liberal Arts College	2,844
Elmhurst College, Elmhurst, IL	Private Liberal Arts College	2,540
North Central College, Naperville, IL	Private Liberal Arts College	2,605
Carthage College, Kenosha, WI	Private Liberal Arts College	2,345
Edgewood College, Madison, WI	Private Liberal Arts College	2,100
Rockford College, Rockford, IL	Private Liberal Arts College	1,395
Lake Forest College, Lake Forest, IL	Private Liberal Arts College	1,277
Beloit College, Beloit, WI	Private Liberal Arts College	1,273
Judson College, Elgin, IL	Private Liberal Arts College	1,085
Barat College, Lake Forest, IL	Private Liberal Arts College	652
Kendall College, Evanston, IL	Private Liberal Arts College	625
Herzing College, Madison, WI	Private Liberal Arts College	605
Shimer College, Waukegan, IL	Private Liberal Arts College	105
DeVry Institute of Tech, Addison, IL	Technical College	3,279
Hebrew Theological College, Skokie, IL	Private Religious College	248

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Transportation

Air Service

Greater Rockford Airport (RFD)

- Among the nation's fastest growing cargo airports
- UPS regional air hub
- 10,000 and 8,200 feet of Hard Surface Runway
- Narrow and Wide Body capable
- Category I/III Instrument landing System
- VOR
- Non-Directional Beacon

Air Freight/Air Cargo firms: BAX Global, Airborne Express, United Parcel Service

Total Landed Cargo Wt., 2001 (lbs.): 1,361,433,007

Other services U.S. Customs Port of Entry, Foreign Trade Zone #176, public warehousing

Land Services

Major highways and an abundance of rail line in the Rockford area create an efficient system for land transportation. Intermodal service is available at over 20 locations within the Chicago area just 60 miles away, and plans for a local facility in Rochelle are under way.

Motor Freight Services

Number of carriers: 60

Number of Terminals: 37

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

Rail Service

Rail Carriers serving area:

- Burlington Northern-Santa Fe (BNSF)
- Union Pacific
- Canadian National
- Iowa, Chicago and Eastern Railroad
- Illinois RailNet
- Amtrak

Frequency of switching service: continuous
Distance to over 20 intermodal facilities: 65 miles

Highways and Interstates

Interstate: I-39, I-88, I-90
Federal: US 20, US 51/251
State: 2, 26, 38, 64, 70, 72, 76, 173

Parcel Distribution Services

- UPS Air Hub
- Emery Worldwide Air Charter
- Landstar Inway
- Airborne Express
- BAX Global
- FedEx

Public Transportation

- Rockford Mass Transit District (RMTD)
- 14 routes
- 37 vehicles
- Hourly stops from 5:00 a.m. to 11:45 p.m.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

Shuttle Services

- Rockford Coach Lines
- Van Galder Bus Company
- Daily service to and from Midway and O'Hare International Airports includes 31 trips from 4 a.m. to midnight
- Daily service to Downtown Chicago and Union Station

Distance and Travel Time for goods in transit from the Rockford Area to:

CITY	HIGHWAY MILES	DAYS BY RAIL	DAYS BY TRUCK
Atlanta	761	5	2
Chicago	90	1	1
Cleveland	422	4	1
Dallas	830	3	3
Denver	909	4	3
Detroit	373	4	1
Kansas City	412	2	1
Los Angeles	1,967	6	4
Milwaukee	90	1	1
Minneapolis	353	3	1
New Orleans	999	5	3
New York	889	5	3
St. Louis	297	2	1
Seattle	1,926	6	3

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ ACCRA Cost of Living Index - First Quarter 2002

	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc.
Rockford, IL	101.4	102.1	103.9	93.5	99.9	111.7	99.8
Other Cities for Comparison							
Chicago	148.0	118.8	235.0	109.5	120.9	133.6	108.0
Boston, MA	132.5	116.6	171.2	134.0	111.6	130.0	113.8
New Haven, CT	123.8	106.1	144.8	160.2	110.6	115.0	111.2
Minneapolis, MN	112.9	100.6	122.1	111.8	110.9	131.6	109.0
Grand Rapids, MI	111.0	107.4	127.9	88.5	111.0	97.7	105.9
Cleveland, OH	107.2	105.5	106.6	130.6	104.3	118.8	102.0
Champaign-Urbana, IL	105.5	100.4	103.4	119.6	101.2	98.4	103.7
St. Louis, MO	99.9	92.9	96.0	106.2	105.5	105.9	102.5
Milwaukee-Waukesha, WI	99.8	95.3	106.0	96.7	104.4	94.7	96.7
Rockford, IL	98.4	106.2	89.4	78.8	100.2	102.4	106.0
Toledo, OH	97.0	104.6	83.6	116.8	94.9	99.6	100.0
Cincinnati, OH	95.3	95.9	88.8	107.8	92.4	88.4	99.6
Louisville, KY	92.5	89.5	85.3	94.0	105.8	83.5	97.1

Source: ACCRA Cost of Living Survey, First Quarter 2002

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Taxes

Corporate Taxes

Corporate Income Taxes

Illinois imposes a 7.3% tax on the net income of corporations in the state. The first 4.8% of this rate is a state tax, with revenues going to the state of Illinois; the revenues from the remaining 2.5% are for the corporate personal property replacement tax, and go to local governments. The starting point for defining income for Illinois tax purposes is taxable income as reported on a federal tax return.

The income of a business entity that does business in more than one state is taxed 100% on sales.

Franchise Tax

The Illinois franchise tax is a tax based on the paid-in capital of a corporation. It is initially imposed at the beginning of the corporation's first year of doing business in the state. The Illinois franchise tax is imposed on domestic corporations and foreign corporations that transact business in Illinois.

Domestic and foreign corporations are subject to the franchise tax on total "paid-in capital." Generally, the amount of paid-in capital for Illinois purposes is determined by multiplying the paid-in capital by a fraction of the sum of the value of the corporation's property located in Illinois plus the gross amount of receipts from business in the state over the sum of property and receipts everywhere.

The annual franchise tax is payable at a rate of 0.1% for the 12-month period from the first day of the anniversary month of the corporation. The minimum tax is \$25, and the maximum tax is \$1 million.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

Property Taxes

The state of Illinois does not collect a state property tax on real estate or personal property. Local governments are authorized to collect property taxes on real property (land and buildings), which is assessed at 33.3% of market value (except in Cook County), with the exception of farmland and farm-related buildings. Average effective tax rates in Cook County (Chicago and surrounding suburbs) range from 1.49% to 4.65%; in other areas of the state, the rates vary from 1.48% to 3.11%.

Illinois does not collect property tax on machinery or inventories.

Local taxing bodies may abate the property taxes of a new or expanded industrial or commercial facility up to \$3 million spread over as many as 10 years. Taxing bodies within Illinois Enterprise Zones may abate property taxes without a dollar limit for the life of the zone for any project in the zone. Property tax TIFs (tax increment financing districts) are also used in Illinois to promote development.

Property taxes are raised and spent by local governments to finance services provided by local governments. The largest share of property taxes goes to school districts.

Utility Taxes

Illinois imposes a tax on utility businesses selling, distributing, supplying or furnishing electricity or natural gas for use or consumption at a rate of 5.1% of gross receipts. Businesses subject to this tax are authorized to pass the tax on to their customers.

Businesses engaged in transmitting messages (including telephone service) incur the tax imposed by the Illinois Messages Tax Act. The Messages Tax is imposed at the rate of 5.0% and is based on gross receipts from the business of transmitting messages. Businesses subject to the tax are authorized to pass the tax on to their customers.

Illinois imposes no gross receipt tax on businesses supplying water or providing sewage disposal. However, some local governments also tax utilities, including water.

Sales and Excise Taxes

Retail purchases of tangible personal property are subject to a state tax rate of 7.25%. The state collects 0.5% of this tax for its own purposes and 1.25% for local governments. Some home rule municipalities have imposed local home rule sales taxes (there are no

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

Home Rule municipalities in the Rockford area). Tangible personal property does not include real estate, stocks, bonds, or other "paper" assets representing an interest. Only the value of tangible personal property purchased for use or consumption is subject to this tax. Services are excluded from the tax base. A registered serviceperson must pay tax on either the cost price or selling price for sales of merchandise (e.g. auto repair parts, contact lenses, prescription drugs) transferred to the purchaser in the performance of service. A serviceperson who is not a retailer must pay the Sales and Use tax if the annual aggregate cost to him of merchandise transferred (sold) to his customers is equal to or greater than 35% of his annual gross receipts from sales of service.

Unemployment Compensation Taxes

An unemployment compensation tax is applied to the first \$9,000 in wages paid to each employee annually. A "new employer" rate applies for the first three years of operation; after 13 months experience in Illinois, an "experience-adjusted" rate is calculated. When an employer has been in business in Illinois at least 13 months but less than 36 months, that employer pays the higher of the two rates; after 36 months, the employer pays its "experience-adjusted" rate. Adjusted rates may vary from 0.6% to 6.8%.

Inventory Tax --NONE

Personal Taxes

Personal Income Tax

Income earned in Illinois or received by Illinois residents is taxed at 3%. Partnerships and S-corporations pay a 1.5-% personal property replacement tax, and S-corporations' owners pay the 3% personal income tax on their share of the corporation's income.

There are no local personal income taxes.

Retirement income is not taxed in Illinois.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

Sales Tax

Retail purchases of tangible goods are subject to a state sales tax rate of 7.25%. Food and drugs are taxed at the reduced rate of 1%.

Inheritance Tax

Illinois collects only the amount that the federal government would collect in the absence of a state tax.

Real Estate Transfer Tax

A tax is imposed on the privilege of transferring a title to real estate or a beneficial interest in a land trust in Illinois. If the property transferred remains subject to an existing mortgage, only the owner's equity (not the amount of the mortgage outstanding) is included in the base for computing the tax. The state rate is 50 cents for each \$500 of value.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

⇒ Assistance Available

Employee Assistance

Rock River Training Corporation

Rock River Training Corporation (RRTC), since its inception, has worked in partnership with local businesses and community-based organizations, providing thousands of unemployed people with the training and retraining needed to become actively employed.

- ❖ **Work Force Development:** RRTC provides employment and training opportunities for economically disadvantaged youths/adults and dislocated workers who are residents of Bone and Winnebago Counties and meet JTPA income guidelines. Working with a variety of community-based organizations, vocational and technical trainers, community colleges and O.I.C., RRTC provides on-the-job training paying 50% of costs to employers. Each year more than 100 companies use on-the-job training as a source for hiring and training workers.
- ❖ **Customized Training:** RRTC will fund up to 100% of costs for classroom training provided by an employer or an outside training organization.
- ❖ **Combined Customized and On-the-Job-Training (OJT):** RRTC can design a program for employers to include both classroom and OJT components.
- ❖ **Welfare to Work:** Work Transitions Program is a Welfare to Work Program. It provides soft skills training, employment opportunities, retention assistance, training reimbursements and help in obtaining tax credits.

Industrial Training Program

The Industrial Training Program assists Illinois companies in training new workers and retraining/upgrading the skills of their existing workforce. ITP grants may be awarded to individual companies as well as to intermediary organizations offering training to meet the common training needs of multiple companies.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

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Direct Financial Incentives

Participation Loan Program

The Illinois Department of Commerce and Community Affairs (DCCA) works with banks and other conventional lenders to provide financial assistance to small businesses that will employ Illinois workers. The state will participate in loans up to 25 percent of the total amount of a project, but not less than \$10,000 or more than \$750,000.

Illinois Capital Access Program

The Illinois Capital Access Program (CAP) is designed to encourage financial institutions to make loans to small and new businesses that do not qualify under conventional lending policies. CAP is a form of loan portfolio insurance, which provides additional reserve coverage to the lender on loan defaults. By participating in CAP, lenders have available to them a proven financing mechanism to meet the needs of financial institutions and Illinois small businesses.

Community Services Block Grant Program

The Community Services Block Grant Program provides long-term, fixed-rate financing to new or expanding businesses that create jobs and employment opportunities for low-income individuals. The program links federal, state and private financing by using CSBG funds at low interest rates in combination with bank funds and equity.

Community Development Assistance Program

This federally funded program assists smaller Illinois local governments in financing economic development needs. Grants are made to units of local government and may be loaned to businesses for projects that will create or retain jobs in the community. Grant funds may also be used by the local government for improvements to public infrastructure that directly support economic development. The program is limited to communities with populations under 50,000 that are not located within an entitlement city or one of the eight large urban counties that receive funds directly from federal government. Funds are targeted toward projects that primarily benefit low to moderate-income people.

Opportunities for Warehouse/Distribution Operations

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Tax Incentives

Enterprise Zone Program: Enterprise Zones offer a number of state and local tax incentives to businesses that make investments to create or retain jobs in the certified zone, including property tax abatement, investment tax credit, jobs tax credit, and reduced interest loans.

Tax Increment Financing Districts: The TIF process involves issuing bonds to finance private and public investment in an area that is considered blighted and depressed. Authorized use of TIF funds can include site preparation, job retraining programs, rehabilitation or repair of existing buildings, building demolition, etc.

Illinois EDGE (Economic Development for a Growing Economy): EDGE provides tax credits to qualifying businesses that create new jobs and make capital investments in Illinois. Businesses must invest at least \$5 million in capital improvements and create a minimum of 25 new jobs, or as determined by the Committee and DCCA based on the public benefit of the project. Credits are calculated from the personal income tax collected on salaries paid to employees in the new jobs created, which may be taken as a non-refundable tax credit against corporate income taxed over a period not to exceed 10 taxable years.

Opportunities for Warehouse/Distribution Operations

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⇒ Quality of Life

Known as the "Forest City," Rockford balances big city sophistication with hometown appeal. Rockford is a great place to live with its friendly people, affordable housing, and tree-lined streets. Money Magazine called Rockford one of the top 200 safest places to live. Strong neighborhood associations, Neighborhood Watch groups, houses of worship from many varied denominations, and community centers reflect a community that cares about maintaining and always improving its quality of life.

Sports and Recreation

Rockford residents enjoy leisure activities in the 175 parks of the 4,500-acre Rockford Park District, one of the country's most widely recognized public park systems, and the 6,550 acres of the Winnebago County Forest Preserve District. In addition, the 3,100 acre Rock Cut State Park, located just to the northeast of the city, offers sailing, swimming, picnicking, camping and hiking trails.

Veteran's Memorial Sportscore, among the Park District's premier facilities, features soccer, softball and volleyball. Its 105 acres include eight soccer fields, eight lighted championship softball fields, nine sand volleyball courts, and two children's play areas. An additional ten soccer fields are located on adjacent leased land. The site also includes concessions, a lagoon for fishing and boating, and paved pathways. Recreation paths link the Sportscore with the Village of Machesney Park to the north and the Sinnissippi Recreation Path to the south. The Sportscore attracts numerous softball and soccer tournaments each year.

Magic Water is the district's elaborately designed water theme park. It features a wave pool, five water slides, inner tubes rides down a river, a thrilling water coaster ride, an interactive water play area for younger patrons, sand beach volleyball, and a separate tot pool. Three traditional swimming pools and a beach at Levings Lake complete the District's water sports sites.

At the other end of the spectrum, the District's two ice arenas, Riverview Ice House and Carlson Ice Arena provide indoor rinks for hockey, figure, and recreational skating. The Sapora Play World, an indoor playground, is also housed at the Carlson location.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

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Five challenging Park District golf courses are among 10 public courses in the Rockford area. Aldeen Golf Club is the city's premier golf facility and has earned a four-star rating from Golf Digest. For the past three years Golf Digest has also rated Rockford "Number One" in mid-sized U.S. cities for the excellence of its public courses.

Rockford's MetroCenter hosts top sporting events each year, as well as top entertainment and conventions. Home to the Rockford IceHogs hockey team and the Rockford Lightning basketball team, the 10,000-seat arena draws patrons throughout the area to about 160 events a year.

The four-day "On the Waterfront" annual Labor Day festival encompasses 30 blocks in Rockford's downtown River District. It offers a wonderful combination of music, food, and special events. Over 150 performing artists appear throughout the festival, and ethnic foods from around the world satisfy every taste.

Rockford is also fast picking up the moniker "City of Gardens." The 150-acre Klehm Arboretum and Botanical Garden offers a glimpse of nature in its natural state. Once a commercial nursery, it is now maintained by the Northern Illinois Botanical Society. A new visitor's center, formal and theme gardens, and lovely garden paths make it a great place to stroll and picnic. The serenity of the world-class Anderson Japanese Gardens, once privately held and now open to the public, offers an elegant teahouse, tranquil waterfalls and winding paths leading to its beautiful gardens. Workshops and relevant demonstrations are held at the Gardens. Contrasting with this is the classic beauty of Sinnissippi Gardens on the riverfront, complete with lagoon and swans.

Cultural Facilities and Events

Blending city sophistication with country elegance, the Rockford area offers an annual Snow Sculpting Competition, Concerts in the Park, and an ever-changing arts and entertainment calendar filled with concerts, exhibits, festivals and performances. The choices are myriad. There are concerts by the Kantorei, the Singing Boys of Rockford, who are internationally heralded. There are the musicals performed at Starlight Theatre on the campus of Rock Valley College. Lectures, concerts, and musical and dramatic productions fill the stage of Maddox Theatre on the Rockford College campus. The Rockford Entertainment League brings in traveling Broadway-style theatre productions, and there are classic performances presented by the Rockford Dance Company.

Opportunities for Warehouse/Distribution Operations

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The New American Theater, founded in 1972, is nationally recognized as one of the finest regional theatrical organizations in the nation. It produces six plays each season and plays to packed houses.

Music

Diversity in the arts range from the classics played by the Rockford Symphony Orchestra to the rousing sounds of the Phantom Regiment Drum and Bugle Corp to the rocking sounds of Cheap Trick.

Listed on the National Register of Historic Places, the newly renovated Coronado Theater hosts performances by The Rockford Community Concert Association and Rockford Symphony, and includes top international stars.

Rockford's 114-year-old Mendelssohn Club is another prime source for classical music concerts, featuring nationally acclaimed artists as well as the Club's own Mendelssohn Chamber Orchestra.

Rockford College's Music Academy provides music instruction for some 400 young people in the Rockford area.

Dance

Rockford is home to the Rockford Dance Company, the Metropolitan Ballet Theatre, and the Without Shoes Modern Dance Company.

Museums

Rockford has several museums that regularly attract residents and visitors to the community. Rockford Museum Park is a cultural focal point and home to the Rockford Art Museum, Rockford Dance Company, Rockford Symphony Orchestra, Storefront Cinema, Northern Illinois Public Radio, and the Discovery Center. The Discovery Center includes an outdoor science park that gives visitors of all ages hands-on exploration of scientific principles.

Both the Ethnic Heritage Museum and the Swedish American Museum occupy historic homes. The Burpee Museum of Natural History occupies two historic mansions on the west bank of the Rock River. The home containing the Tinker Swiss Cottage Museum is listed on the National Register of Historic Places. Midway Village and Museum Center.

Opportunities for Warehouse/Distribution Operations

Rockford, IL MSA

July 2003

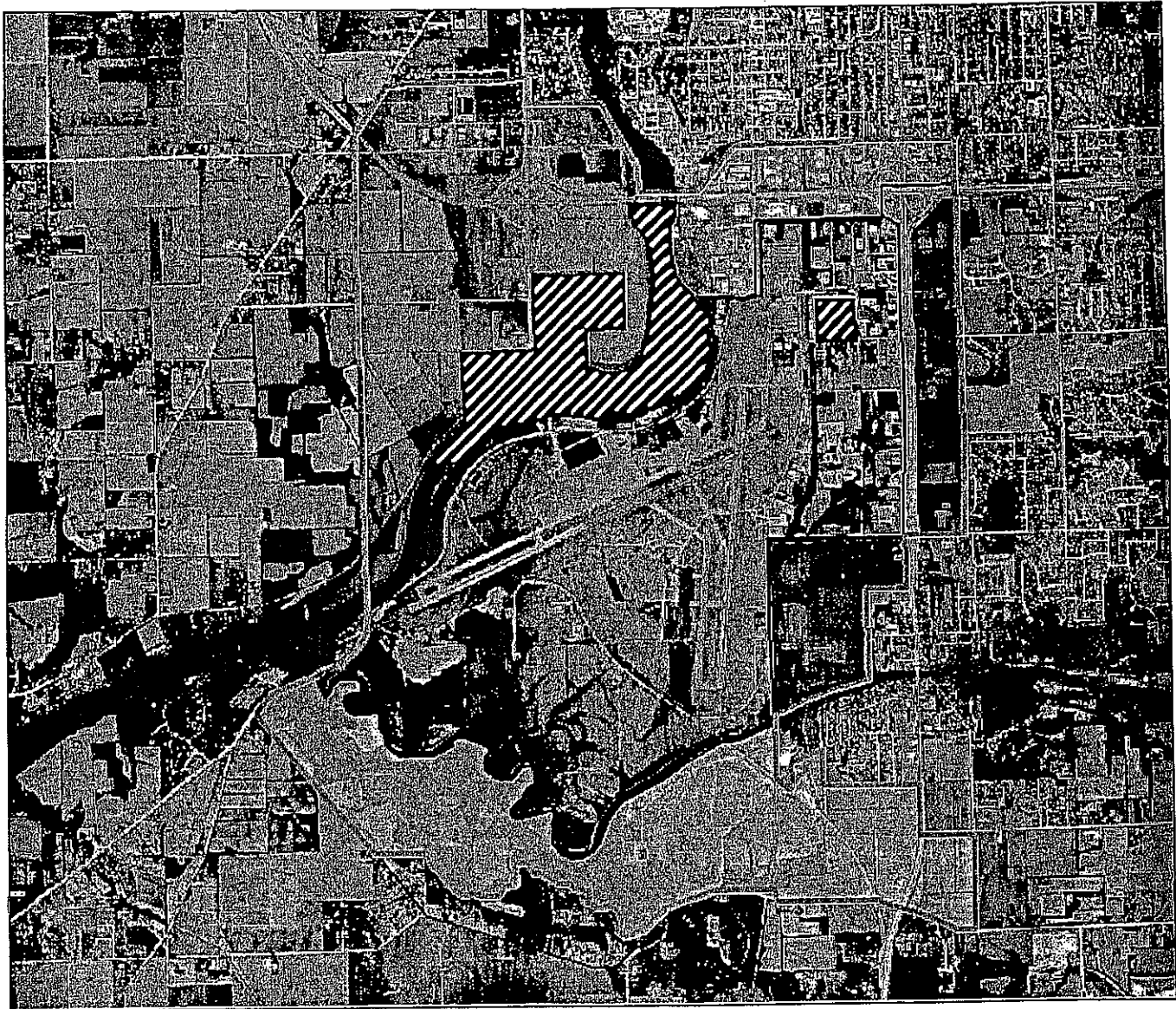
features a recreation of a turn-of-the-century village, and includes buildings such as a one-room school, a carpenter shop, general store, hardware store, print shop, bank, police and fire stations, and a law office. In all, the Rockford area is home to 10 museums, 12 art galleries, and 5 regional arts councils

Festivals

Although christened the "Forest City," Rockford residents could consider renaming their city the "City of Festivals" in recognition of the number of major events held annually in the area. Activities begin in the spring with the St. Patrick's Day Celebration and Young at Heart Festival. Summer features the Garden Glory Tour, Festa Italiana, Polish Fest, Scottish Highland Games, Beloit Riverfest, Civil War Days, the Rockford Pro/Am Golf Invitational and the On the Waterfront festival. With fall comes the RockVale Balloon Fest, and the Belvidere Oktoberfest. Winter finishes the year with the Festival of Lights, the Illinois Snow Sculpting Competition and First Night Rockford.

Exhibit 3

ROCKFORD GLOBAL TRADE PARK REDEVELOPMENT PLANNING AREA POTENTIAL SUB-AREAS MAP



Legend

 TIF Excluded Areas



0 2,150 4,300 8,500 12,900 17,200 Feet

EXHIBIT 4

ROCKFORD GLOBAL TRADE PARK REDEVELOPMENT PLANNING AREA

Legal Description

All of that part of the following described parcel situated in the City of Rockford, County of Winnebago and State of Illinois described as follows, to-wit: Beginning at the Northeast corner of the Northwest One-Quarter (1/4) of Section Twelve (12), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian; thence South along the East line of the Northwest One-Quarter (1/4) of said Section Twelve (12) and continuing along the East line of the Southwest One-Quarter of said Section Twelve (12) and further continuing along the centerline of Section Thirteen (13), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian to its intersection with the centerline of Blackhawk Road, said centerline being the South line of said Section Thirteen (13); thence West along said centerline of said Blackhawk Road, also being the South line of said Section Thirteen (13), to its intersection with the West right-of-way line of Eleventh Street (Illinois State Route 251) thence South along the West right-of-way line of said Eleventh Street (Illinois State Route 251) to its intersection with the North right-of-way line of Leonard Road; thence West along the North right-of-way line of said Leonard Road to its intersection with the West line of the Northwest One-Quarter (1/4) of Section Twenty-four (24), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian; thence South along the West line of said Section Twenty-four (24), to its intersection with the North bank of the Kishwaukee River; thence Southwesterly along said North bank of said Kishwaukee River to its intersection with the East right-of-way line of B.N. Railroad; thence South along said East right-of-way line of said B.N. Railroad to its intersection with the Northerly right-of-way line of Belt Line Road; thence Southeasterly along the Northerly right-of-way line of said Belt Line Road to its intersection with the West right-of-way line of South Bend Road; thence North and Northeasterly along said South Bend Road right-of-way line to its intersection with the West line of the East One-Half (1/2) of the Northeast One-Quarter (1/4) of Section Twenty-six (26), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian; thence South along the West line of said East One-Half (1/2) of the Northeast One-Quarter (1/4) of Section Twenty-six (26) to its intersection with the North line of the Southeast One-Quarter (1/4) of the Northeast One-Quarter (1/4) of said Section Twenty-six (26); thence East along the North line of said Southeast One-Quarter (1/4) of the Northeast One-Quarter (1/4) of said Section Twenty-six (26) and along the North line of the Southwest One-Quarter (1/4) of the Northwest One-Quarter (1/4) of Section Twenty-five (25), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian to its intersection with the West right-of-way line of Eleventh Street (Illinois State Route 251); thence South along the West line of said Eleventh Street (Illinois State Route 251) to its intersection with the centerline of Rotary Road, said line being the South line of the Northwest One-Quarter (1/4) of said Section Twenty-five (25); thence East along said centerline of said Rotary Road and the South line of said Section Twenty-five (25) to the Southeast corner of the Northwest One-Quarter (1/4) of said Section Twenty-five (25); thence South along the East line of the

Legal Description (continued)

Southwest One-Quarter (1/4) of said Section Twenty-five (25), said line also being the centerline of Rydberg Road, to its intersection with the Northerly right-of-way line of Baxter Road; thence meandering Westerly along the said Northerly right-of-way line of said Baxter Road to its intersection with the Northerly right-of-way line of South Bend Road; thence meandering Westerly along said Northern right-of-way line of said South Bend Road to its intersection with the South bank of Kilbuck Creek; thence meandering Northwesterly along said South bank of said Kilbuck Creek to its intersection with the North line of the Southeast One-Quarter (1/4) of Section Twenty-Eight (28), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian; thence West along said North line of said Southeast One-Quarter (1/4) of said Section Twenty-eight (28) to its intersection with the Northerly right-of-way line of South Bend Road; thence Northwesterly along said Northerly right-of-way line of said South Bend Road projected Northwesterly to its intersection with the Northerly right-of-way line of Kishwaukee Road; thence Northeasterly along said Northerly right-of-way line of said Kishwaukee Road to its intersection with the centerline of Sections Twenty-one (21), Sixteen (16), Nine (9) and Four (4), all in Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian to its intersection with the Easterly right-of-way line of Prairie Road projected Southwesterly; thence along the Easterly right-of-way line of said Prairie Road to its intersection with the South line of Sauk Lane; thence East along said South right-of-way line of said Sauk Lane and its projection Southerly to its intersection with the East right-of-way line of South Main Street (Illinois Route 2); thence South along the Easterly right-of-way line of said South Main Street (Illinois Route 2) to a point 185.79 feet, plus or minus, South of Indian Village Subdivision; thence Easterly parallel with Southerly right-of-way line of said Indian Village Subdivision to the Westerly bank of the Rock River; thence Southeasterly along the bank of said Rock River to its intersection with the Northerly right-of-way line of the Illinois State Route 20 Bypass; thence East along said Northerly right-of-way line of said Illinois State Route 20 Bypass to the Southwest corner of Kishwaukee Industrial Subdivision; thence Northeasterly along the Westerly line of said Kishwaukee Industrial Subdivision and its projection Northeasterly to its intersection with a line 91.56 feet, plus or minus, South of and parallel to the North line of the Northwest One-Quarter (1/4) of Section Eleven (11), Township Forty-three (43) North, Range One (1) East of the Third Principal Meridian; thence East parallel with the North line of said Northwest One-Quarter (1/4) of said Section Eleven (11) to its intersection with the West right-of-way line of said Kishwaukee Street; thence North along said West right-of-way line of said Kishwaukee Street to its intersection with the North line of said Section Eleven (11); thence East along the North lines of said Section Eleven (11) and the North line of Section Twelve (12), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian to the point of beginning. Excepting therefrom Blocks Three (3), Four (4), Five (5), Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13) and Fourteen (14) of Winnebago Court Subdivision, the Plat of which Subdivision is recorded in Book 22 of Plats on Page 139 in the Recorder's Office of Winnebago County, Illinois. Also excepting therefrom those parts of Sections Ten (10), Eleven (11), Fourteen (14), Fifteen (15) and Sixteen (16), Township 43 North, Range One (1) East of the Third

Legal Description (continued)

(3rd) Principal Meridian, described as follows, to-wit: Beginning at a point on the North right-of-way line of the Route 20 Bypass (Illinois State Highway 194), said point being on the Westerly bank of the Rock River, thence meandering South and Southwesterly along said Westerly bank of said Rock River to its intersection with the East line of premises conveyed by Donald Briggs Johnson and Mary P. Johnson to the Svithiod Club of Rockford by deed recorded in Book 388 of deeds on Page 361 in the Recorder's Office of Winnebago County, Illinois; thence North along said East line of the premises so conveyed and also along the East line of premises conveyed by Donald Briggs Johnson and Mary P. Johnson to the Svithiod Club of Rockford by deed recorded in Book 417 of deeds on Page 97 in said Recorder's Office; thence continuing North along the East line of premises conveyed by Joseph G. Beeler and wife, to Harry M. Johnson by Warranty Deed dated March 2, 1911 and recorded in Book 225 of Deeds on Page 122 in said Recorder's Office to the South line of premises conveyed by Douglas C. Bartholomew and wife, to Gem Suburban, Inc., by Warranty Deed dated March 31, 1964 and recorded in Book 1444 of Records on Page 46 in said Recorder's Office; thence East parallel with the South line of the South One-Half (1/2) of Section Ten (10), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian, 850 feet to the Southeast corner of said premises so conveyed to Gem Suburban, Inc., as aforesaid; thence North parallel with the centerline of River Road (South Main Road, Illinois Route 2), 1459.18 feet to the Northeast corner of premises so conveyed to Gem Suburban, Inc., as aforesaid; thence West, parallel with the South line of said Section, to its intersection with the East right-of-way line of River Road (South Main Road, Illinois Route 2); thence South along said East right-of-way line to its intersection with the South line of said Section; thence West along said South line to the Southwest corner of said Section; thence South along the West line of Section Fifteen (15), Township Forty-three (43) North, Range One (1) East of the Third (3rd) Principal Meridian, to its intersection with the Westerly bank of the Rock River; thence meandering Southwesterly along said Westerly bank of the Rock River to a point 904 feet plus or minus perpendicularly distant from a point on the West line of said Section Fifteen (15), said point being 2,423 feet plus or minus North of the Southwest corner of said Section Fifteen (15) and on the Easterly bank of said Rock River; thence East 904 feet plus or minus to said point on the Easterly bank of said Rock River 2423 feet plus or minus North of the Southwest corner of said Section Fifteen (15); thence meandering Northeasterly and Northerly along said Easterly bank of said Rock River to its intersection with the Northerly right-of-way line of said Route 20 Bypass (Illinois State Highway 194); thence Westerly along said Northerly right-of-way line of said Route 20 Bypass (Illinois State Highway 194) to the point of beginning. Containing 6,600 acres plus or minus.

EXHIBIT 5

ROCKFORD GLOBAL TRADE PARK REDEVELOPMENT PLANNING AREA EXISTING LAND USES

MAP PREPARED BY:
CITY OF ROCKFORD
COMMUNITY DEVELOPMENT DEPT.
PLANNING DIVISION
GEORGE A. JAMES JR.

P1. DENSITY FOR RES. DIST.	EX. COMMERCIAL DISTRICT DIST.
P2. TWO FOR RES. DIST.	H. LIGHT INDUSTRIAL DIST.
PM. MEDIUM DENSITY DIST.	C. GENERAL COMMERCIAL DIST.
P3. MEDIUM DENSITY DIST.	
C1. LIMITED OFFICE DIST.	
C2. COMMERCIAL COMMUNITY DIST.	
C3. COMMERCIAL GENERAL DIST.	

AG. AGRICULTURE
R. RESIDENTIAL
C. COMMERCIAL
I. INDUSTRIAL
BOUNDARY

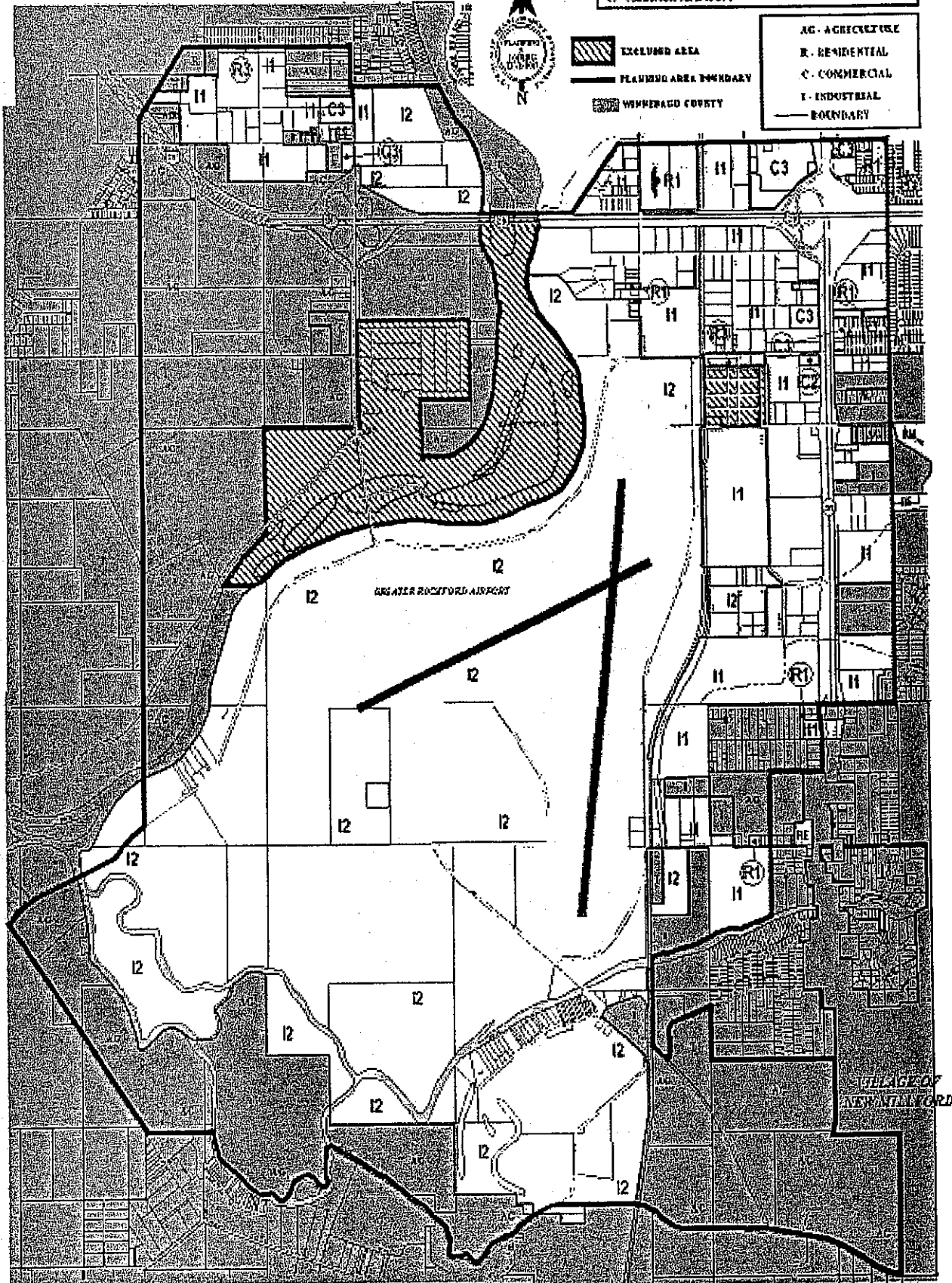
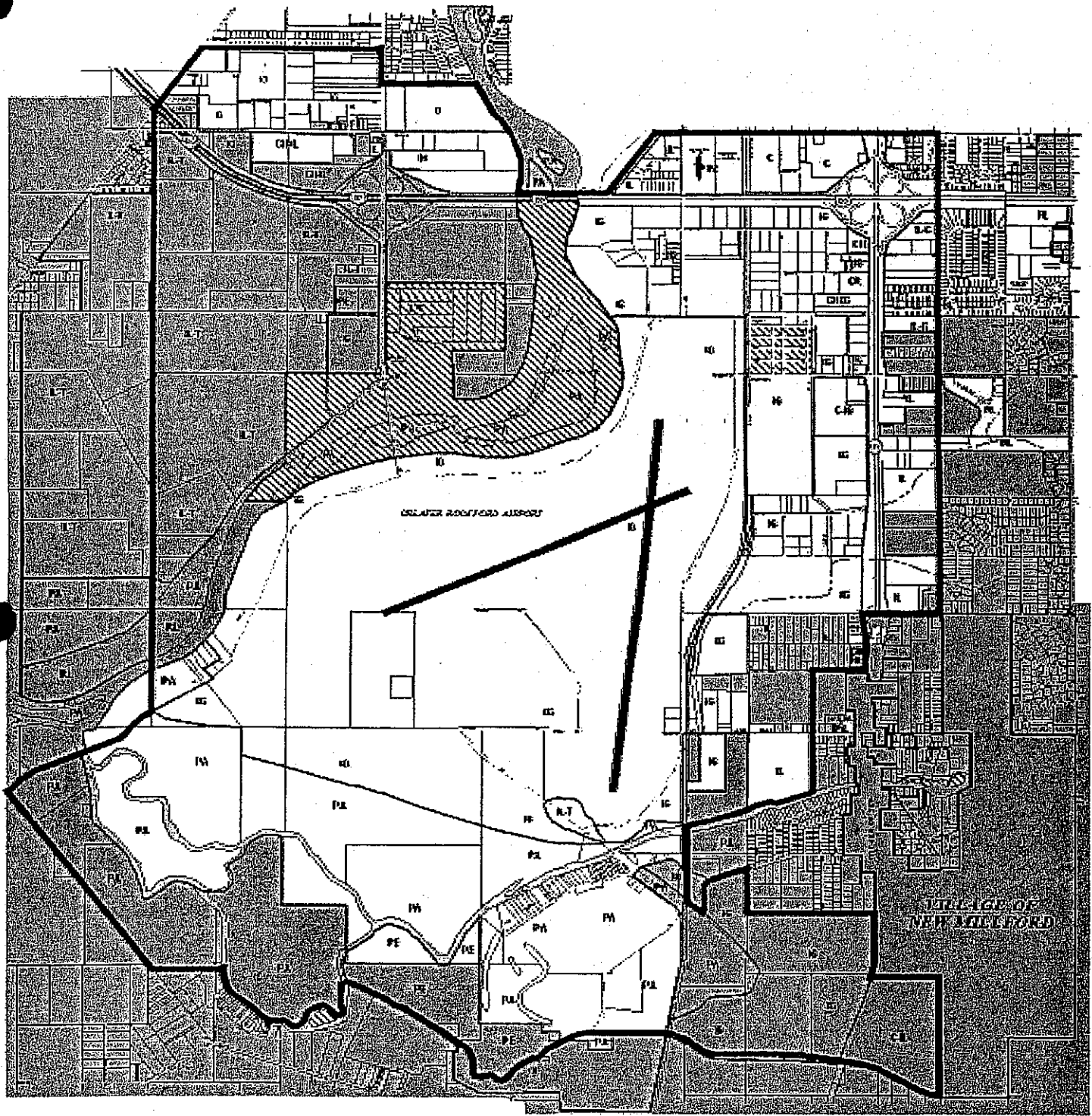


EXHIBIT 6

ROCKFORD GLOBAL TRADE PARK REDEVELOPMENT PLANNING AREA PROPOSED LAND USES



PROPOSED LAND USE MAP OF ROCKFORD, ILLINOIS

LAND USE	COMMERCIAL	PUBLIC/QUASIPUBLIC	INDUSTRIAL	RESIDENTIAL	TRANSPORTATION
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DECEMBER 2002